

**MINUTES
REGULAR MEETING
RETIREMENT BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE
AND PARISH OF EAST BATON ROUGE
FEBRUARY 27, 2020**

The regular meeting of the Retirement Board of Trustees was held in the boardroom of the Retirement Office at 209 St. Ferdinand Street, and was called to order at 10:02 a.m. by Board Vice-Chairman Mr. Mark LeBlanc. Members present: Chief Richard Sullivan, Sergeant Neal Noel, Mr. Joseph Toups, Mr. David West, and Mr. Brian Bernard. Absent: Ms. Marsha Hanlon. Staff present: Mr. Jeffrey Yates, Mr. Russell Smith, Mr. Mark Williams, and Mr. Kyle Drago. Others present: Ms. Denise Akers – legal counsel.

Mr. Kyle Drago formally called the roll.

There was a call for public comments prior to introduction of the first agenda item. There were no public comments.

The vice-chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of January 30, 2020, and called for a motion.

Motion by Chief Sullivan, seconded by Mr. Bernard to suspend the reading of, and approve the minutes of the regular meeting of January 30, 2020 as presented.

No discussion and no objections.

Motion passed by those members present.

There were also minutes for approval from the Investment Committee meeting of February 11, 2020, and the vice-chairman called for a motion.

Motion by Mr. West, seconded by Mr. Toups to suspend the reading of, and approve the minutes of the Investment Committee meeting of February 11, 2020 as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 2, Disability, there were no applications for consideration for disability retirement.

The next item on the agenda was Item 3, Benefits Report, and the vice-chairman called on Mr. Yates to present the report. Mr. Yates stated that the report was in order as presented, and that the staff had gone over the report yesterday. He stated that the staff would answer any questions.

Motion by Mr. Bernard, seconded by Sgt. Noel to approve the Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary.

The vice-chairman then moved to Item 5, Consultants' Reports, and recognized Ms. Akers for her report. Ms. Akers stated that she would cover the highlights of the current litigations, but that if detailed information was needed there might be a need to go into executive session. She began with the MacroGenics securities litigation, and proceeded with the Greensky case, the Impinj case, the Energy Transfer, LP case, and the Merit Medical case.

The next item was Item 6, Committee Reports, and under Item 6B, Mr. LeBlanc reported on the Investment Committee meeting that took place February 11, 2020. He stated that AndCo was present at the meeting, and had reported that the CPERS portfolio was up by 5.4% for the quarter and up by 17.4% for the calendar year. Those returns reflected an outperformance of the policy index of 33 basis points for the quarter, but an underperformance of 70 basis points for the year. There were also discussions regarding the continued use of hedge fund-of-funds, and the lowering of the investment return assumption from 7.25% to 7.0%. The PGT returned 3.47% for the quarter and 14% for the calendar year. Also discussed was the consideration of hiring a core-plus real estate manager, with Brookfield, Principal, and J.P. Morgan as possible firms to interview. Lastly, Mr. LeBlanc stated that AndCo had provided four different asset allocation mixes for the PGT in order to have the funds very liquid, as well as poised for higher returns and lower risk. Based on AndCo's recommendation, the committee focused in on Mix C, which should meet or exceed the actuarial expected rate of return with T+1 trading availability.

Motion by Mr. LeBlanc, seconded by Mr. Toups to adopt Mix C for the PGT asset allocation, as presented and recommended by AndCo.

No discussion and no objections.

Motion passed by those members present.

Moving to Item 6C, the vice-chairman noted that although there had been no Election Committee meetings, he wanted to recognize Mr. Smith for an update on the current elections in progress. Mr. Smith stated that ballots had been mailed out on February 13th, and there were several replacement ballots being requested. He noted that replacement ballots could be requested as late as February 28th and that the ballots could be submitted with a deadline of March 6th. He noted that the staff took many of the suggestions of the committee such as sending blast emails informing the membership that they would be receiving the ballots, and even sending an image of the ballot envelope in hopes the member would not discard it.

Moving to Item 7, Staff Reports, the vice-chairman noted that under Item 7C, there were 5 invoices from the Law Offices of Akers & Wisbar, LLC for the month of January, which Mr. Smith verified as being in order as presented.

Motion by Mr. West, seconded by Chief Sullivan to approve payment for the charges to the Law Offices of Akers & Wisbar, LLC as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 7E there was an invoice from the actuarial firm of Foster & Foster, which Mr. Yates explained was for under-billed amounts from the prior two years' annual actuarial valuations. He noted that Mr. Smith had checked the charges against the contract, and that the charges being submitted were in order as shown.

Motion by Mr. Bernard, seconded by Chief Sullivan to approve payment for the charges to Foster & Foster as presented.

No discussion and no objections.

Motion passed by those members present.

Under 7F, there were a number of investment manager/consultant invoices for the Board's review, and verified by Mr. Smith to be in compliance with the contracts.

Under 7G, Cash Activity Report, it was noted that the report would be suspended until after the actuarial valuation was completed.

Under Item 8, Unfinished Business, and there were no matters to be addressed.

Under Item 9, New Business, and there were no matters to be addressed.

Under Item 10, Administrative Matters, there were no matters to be addressed.

The vice-chairman then continued with Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that there were several items on this month's report, and that the report was in order as presented.

Motion by Mr. West, seconded by Mr. Toups to approve the PGT Benefits Report as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11B, the vice-chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required.

Item 11C, Consultants' Reports, there were no items to address.

There were several investment manager invoices under Item 11D.1 for the Board's review, and verified by Mr. Smith to be in compliance with the contracts.

Under Item 11D.2 there was an invoice from the actuarial firm of Foster and Foster for the under-billed amounts for the PGT annual actuarial valuations, similar to what occurred with the CPERS billings.

Motion by Mr. West, seconded by Chief Sullivan to approve payment for the charges to Foster & Foster as presented.

No discussion and no objections.

Motion passed by those members present.

Under Item 11D.3, PGT Cash Activity Report, it was noted that the report would be suspended until after the actuarial valuation was completed.

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

The vice-chairman then recognized and thanked Chief Richard Sullivan for his service and contributions to the Retirement Board as the BRFD representative. Chief Sullivan stated that it had been an honor and privilege to have served, and that he had learned a great deal sitting on the Board. Mr. Touns also thanked Mr. Smith for stepping up when Mr. Yates was away on leave. The other Board members expressed their gratitude also.

Seeing no further items on the agenda, the vice-chairman called for a motion to adjourn.

Motion by Mr. Bernard, seconded by Mr. West to adjourn at 10:35 a.m.

No discussion and no objections.

Motion passed by those members present.

MARK LEBLANC
VICE-CHAIRMAN, RETIREMENT BOARD OF TRUSTEES

JEFFREY R. YATES
RETIREMENT ADMINISTRATOR